

FALCON HIGHLANDS METROPOLITAN DISTRICT

FINANCIAL STATEMENTS

AUGUST 31, 2022

FALCON HIGHLANDS METROPOLITAN DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2022

| | <u>General</u> | <u>Debt Service</u> | <u>Conservation Trust</u> | <u>Enterprise</u> | <u>Total</u> |
|--|---------------------|---------------------|-------------------------------|---------------------|---------------------|
| ASSETS | | | | | |
| Cash - 1st Bank | \$ 80,557 | \$ - | \$ - | \$ 240,029 | \$ 320,586 |
| C - Safe | 1,661,029 | 752,223 | 4,185 | 335,293 | 2,752,730 |
| Bond Fund - Series 2004A | - | 198,869 | - | - | 198,869 |
| Construction Fund - Series 2004A | - | 708 | - | - | 708 |
| Escrow Fund - Series 2004A | - | 734 | - | - | 734 |
| Reserve Fund - Series 2004A | - | 640,047 | - | - | 640,047 |
| Capitalized Interest - Series 2007 Subordinate | - | 10,589 | - | - | 10,589 |
| Construction Fund - Series 2007 Subordinate | - | 34 | - | - | 34 |
| Accounts receivable | 9,125 | - | - | 35,240 | 44,365 |
| Receivable from County Treasurer | 12,252 | 2,004 | - | - | 14,256 |
| Prepaid expense | 2,392 | - | - | 14,916 | 17,308 |
| Accumulated depreciation | - | - | - | (3,160,878) | (3,160,878) |
| Water rights | - | - | - | 402,786 | 402,786 |
| Equipment and systems | - | - | - | 6,222,028 | 6,222,028 |
| Vehicles | - | - | - | 40,659 | 40,659 |
| TOTAL ASSETS | <u>\$ 1,765,355</u> | <u>\$ 1,605,208</u> | <u>\$ 4,185</u> | <u>\$ 4,130,073</u> | <u>\$ 7,504,821</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| CURRENT LIABILITIES | | | | | |
| Accounts payable | \$ 9,148 | \$ - | \$ - | \$ 24,330 | \$ 33,478 |
| Payable to Woodman Hills | - | - | - | 38,500 | 38,500 |
| Tap Review Fee Escrow | - | - | - | 61,000 | 61,000 |
| 2007 Bond Interest Escrow | - | 250,000 | - | - | 250,000 |
| Total Liabilities | <u>9,148</u> | <u>250,000</u> | <u>-</u> | <u>123,830</u> | <u>382,978</u> |
| FUND BALANCES | | | | | |
| Total Fund Balances | <u>1,756,207</u> | <u>1,355,208</u> | <u>4,185</u> | <u>4,006,243</u> | <u>7,121,843</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 1,765,355</u> | <u>\$ 1,605,208</u> | <u>\$ 4,185</u> | <u>\$ 4,130,073</u> | <u>\$ 7,504,821</u> |

**FALCON HIGHLANDS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2022**

GENERAL FUND

| | <u>Annual Budget</u> | <u>Year to Date Actual</u> | <u>Variance</u> |
|---|--------------------------|--------------------------------|-------------------|
| REVENUES | | | |
| Property taxes | \$ 188,186 | \$ 181,240 | \$ (6,946) |
| Specific ownership taxes | 110,942 | 76,706 | (34,236) |
| Interest income | 1,400 | 9,430 | 8,030 |
| Maintenance fees | 131,000 | 88,371 | (42,629) |
| Other revenue | 1,000 | 550 | (450) |
| TOTAL REVENUES | <u>432,528</u> | <u>356,297</u> | <u>(76,231)</u> |
| EXPENDITURES | | | |
| Accounting | 40,000 | 12,739 | 27,261 |
| Auditing | 8,700 | - | 8,700 |
| County Treasurer's fee | 2,823 | 2,765 | 58 |
| Directors' fees | 2,100 | 1,900 | 200 |
| Insurance and bonds | 11,000 | 9,127 | 1,873 |
| District management | 52,000 | 27,635 | 24,365 |
| Legal services | 47,000 | 14,752 | 32,248 |
| Miscellaneous | 5,000 | 95 | 4,905 |
| Payroll - wages and taxes | 161 | 145 | 16 |
| Election expense | 2,000 | 2,125 | (125) |
| Repairs and maintenance | 10,000 | - | 10,000 |
| Professional Services | 5,000 | - | 5,000 |
| Landscape maintenance | 9,000 | 5,917 | 3,083 |
| General improvements | 12,000 | - | 12,000 |
| Utilities | 30,000 | 8,448 | 21,552 |
| Operating expense | 500 | - | 500 |
| Equipment expense | 10,000 | - | 10,000 |
| Trail maintenance | 10,000 | - | 10,000 |
| Storm drainage | 25,000 | - | 25,000 |
| Park improvements | 10,000 | - | 10,000 |
| Contingency | 26,716 | - | 26,716 |
| TOTAL EXPENDITURES | <u>319,000</u> | <u>85,648</u> | <u>233,352</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 113,528 | 270,649 | 157,121 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers to other fund | (46,600) | - | 46,600 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(46,600)</u> | <u>-</u> | <u>46,600</u> |
| NET CHANGE IN FUND BALANCES | 66,928 | 270,649 | 203,721 |
| FUND BALANCES - BEGINNING | <u>1,454,629</u> | <u>1,485,557</u> | <u>30,928</u> |
| FUND BALANCES - ENDING | <u>\$ 1,521,557</u> | <u>\$ 1,756,206</u> | <u>\$ 234,649</u> |

**FALCON HIGHLANDS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2022**

CONSERVATION TRUST FUND

| | <u>Annual Budget</u> | <u>Year to Date Actual</u> | <u>Variance</u> |
|------------------------------------|--------------------------|--------------------------------|-----------------|
| REVENUES | | | |
| Conservation Trust proceeds | \$ 6,500 | \$ 3,865 | \$ (2,635) |
| Interest income | 5 | 20 | 15 |
| TOTAL REVENUES | <u>6,505</u> | <u>3,885</u> | <u>(2,620)</u> |
| EXPENDITURES | | | |
| Repairs and maintenance | <u>7,060</u> | - | <u>7,060</u> |
| TOTAL EXPENDITURES | <u>7,060</u> | <u>-</u> | <u>7,060</u> |
| NET CHANGE IN FUND BALANCES | (555) | 3,885 | 4,440 |
| FUND BALANCES - BEGINNING | <u>555</u> | <u>301</u> | <u>(254)</u> |
| FUND BALANCES - ENDING | <u>\$ -</u> | <u>\$ 4,186</u> | <u>\$ 4,186</u> |

FALCON HIGHLANDS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2022 AND AUGUST 31, 2021

| | <u>Year to Date Actual</u> | <u>Prior Year to Date Actual</u> | <u>Variance</u> |
|---|--------------------------------|--------------------------------------|------------------|
| OPERATING REVENUES | | | |
| Facility fees | \$ 34,726 | \$ 29,126 | \$ 5,600 |
| Interest income | 1,964 | 58 | 1,906 |
| Other revenue | 360 | - | 360 |
| Water treatment fees | 78,147 | 77,617 | 530 |
| Administrative fees | 55,930 | 55,215 | 715 |
| Water usage fees | 144,692 | 149,166 | (4,474) |
| Penalties | 2,690 | 1,710 | 980 |
| Meter fees | 1,271 | 1,461 | (190) |
| Water tap fees | 70,000 | 80,000 | (10,000) |
| O&M fees | 813 | 813 | - |
| Inspection fees | 90 | 90 | - |
| Total operating revenues | <u>390,683</u> | <u>395,256</u> | <u>(4,573)</u> |
| OPERATING EXPENDITURES | | | |
| Accounting | 15,924 | 13,077 | (2,847) |
| Dues and membership | 845 | 1,149 | 304 |
| Insurance and bonds | 13,691 | 14,157 | 466 |
| District management | 35,606 | 33,910 | (1,696) |
| Legal services | 19,460 | 66,090 | 46,630 |
| Miscellaneous | 1,000 | 999 | (1) |
| Security | 4,314 | 3,727 | (587) |
| Repairs and maintenance | 7,029 | 2,141 | (4,888) |
| Professional Services | 17,898 | 25,979 | 8,081 |
| Utilities | 51,065 | 55,464 | 4,399 |
| Operating expense | 21,416 | 6,624 | (14,792) |
| Supplies - treatment facility | 7,892 | 6,402 | (1,490) |
| Utility billing | 29,367 | 26,547 | (2,820) |
| Telephone | 761 | 765 | 4 |
| Utility locates | 3,401 | 517 | (2,884) |
| Woodman Hills contract | 36,053 | 30,548 | (5,505) |
| Capital outlay | 6,002 | - | (6,002) |
| Depreciation expense | <u>84,669</u> | <u>74,096</u> | <u>(10,573)</u> |
| Total operating expenses | <u>356,393</u> | <u>362,192</u> | <u>5,799</u> |
| Operating income (loss) | 34,290 | 33,064 | 1,226 |
| OTHER FINANCING SOURCES (USES) | | | |
| Total non-operating revenues (expenses) | <u>-</u> | <u>-</u> | <u>-</u> |
| CHANGE IN NET POSITION | 34,290 | 33,064 | 1,226 |
| TOTAL NET POSITION - BEGINNING | <u>3,971,953</u> | <u>3,940,639</u> | <u>31,314</u> |
| TOTAL NET POSITION - ENDING | <u>\$ 4,006,243</u> | <u>\$ 3,973,703</u> | <u>\$ 32,540</u> |

SUPPLEMENTARY INFORMATION

**FALCON HIGHLANDS METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2022**

DEBT SERVICE FUND

| | <u>Annual Budget</u> | <u>Year to Date Actual</u> | <u>Variance</u> |
|------------------------------------|--------------------------|--------------------------------|--------------------|
| REVENUES | | | |
| Property taxes | \$ 921,233 | \$ 887,231 | \$ (34,002) |
| Interest income | 800 | 4,149 | 3,349 |
| Bond proceeds | 5,990,000 | - | (5,990,000) |
| TOTAL REVENUES | <u>6,912,033</u> | <u>891,380</u> | <u>(6,020,653)</u> |
| EXPENDITURES | | | |
| County Treasurer's fee | 13,818 | 13,535 | 283 |
| Paying agent fees | 12,000 | - | 12,000 |
| Refunded bond escrow | 6,236,953 | - | 6,236,953 |
| Bond interest - Series 2004 | - | 224,175 | (224,175) |
| Bond interest - Series 2022 | 299,500 | - | 299,500 |
| Bond principal - Series 2022 | 45,000 | - | 45,000 |
| Miscellaneous | - | 27,400 | (27,400) |
| Bond issue costs | 269,800 | - | 269,800 |
| Contingency | 7,929 | - | 7,929 |
| TOTAL EXPENDITURES | <u>6,885,000</u> | <u>265,110</u> | <u>6,619,890</u> |
| NET CHANGE IN FUND BALANCES | 27,033 | 626,270 | 599,237 |
| FUND BALANCES - BEGINNING | <u>614,142</u> | <u>728,939</u> | <u>114,797</u> |
| FUND BALANCES - ENDING | <u>\$ 641,175</u> | <u>\$ 1,355,209</u> | <u>\$ 714,034</u> |

**FALCON HIGHLANDS METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND AVAILABLE - BUDGET AND ACTUAL
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2022**

ENTERPRISE FUND

| | <u>Annual Budget</u> | <u>Year to Date Actual</u> | <u>Variance</u> |
|--|--------------------------|--------------------------------|-----------------------|
| REVENUE | | | |
| Facility fees | \$ - | \$ 34,726 | \$ 34,726 |
| Interest income | 1,500 | 1,964 | 464 |
| Other revenue | 5,000 | 360 | (4,640) |
| Water treatment fees | 117,000 | 78,147 | (38,853) |
| Administrative fees | 81,500 | 55,930 | (25,570) |
| Water usage fees | 260,000 | 144,692 | (115,308) |
| Penalties | 2,500 | 2,690 | 190 |
| Meter fees | - | 1,271 | 1,271 |
| Water tap fees | - | 70,000 | 70,000 |
| O&M fees | - | 813 | 813 |
| Inspection fees | - | 90 | 90 |
| Bond issuance | 2,730,000 | - | (2,730,000) |
| TOTAL REVENUE | <u>3,197,500</u> | <u>390,683</u> | <u>(2,806,817)</u> |
| EXPENDITURES | | | |
| Accounting | 50,000 | 15,924 | 34,076 |
| Dues and membership | 1,500 | 845 | 655 |
| Insurance and bonds | 16,500 | 13,691 | 2,809 |
| District management | 67,000 | 35,606 | 31,394 |
| Legal services | 62,000 | 19,460 | 42,540 |
| Miscellaneous | 2,500 | 1,000 | 1,500 |
| Security | 7,500 | 4,314 | 3,186 |
| Repairs and maintenance | 25,000 | 7,029 | 17,971 |
| Professional Services | 50,000 | 17,898 | 32,102 |
| SCADA system inspection | 2,500 | - | 2,500 |
| Utilities | 100,000 | 51,065 | 48,935 |
| Operating expense | 10,000 | 21,416 | (11,416) |
| Supplies - treatment facility | 10,000 | 7,892 | 2,108 |
| Utility billing | 40,000 | 29,367 | 10,633 |
| Telephone | 1,500 | 761 | 739 |
| Utility locates | 1,000 | 3,401 | (2,401) |
| Equipment expense | 500 | - | 500 |
| Woodman Hills contract | 50,000 | 36,053 | 13,947 |
| Bond issue costs | 229,600 | - | 229,600 |
| Permits - fees | 1,000 | - | 1,000 |
| Capital outlay | 75,000 | 6,002 | 68,998 |
| Small tools and supplies | 1,500 | - | 1,500 |
| Contingency | 5,000 | - | 5,000 |
| TOTAL EXPENDITURES | <u>809,600</u> | <u>271,724</u> | <u>537,876</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | 2,387,900 | 118,959 | (2,268,941) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers from other funds | 46,600 | - | (46,600) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>46,600</u> | <u>-</u> | <u>(46,600)</u> |
| NET CHANGE IN FUNDS AVAILABLE | 2,434,500 | 118,959 | (2,315,541) |
| FUNDS AVAILABLE - BEGINNING | <u>364,117</u> | <u>382,689</u> | <u>18,572</u> |
| FUNDS AVAILABLE - ENDING | <u>\$ 2,798,617</u> | <u>\$ 501,648</u> | <u>\$ (2,296,969)</u> |